

US RAIL SERVICES

A U.S. Leasing Company

United States Rail Services, Inc.
633 Battery Street
San Francisco, California 94111
(415) 445-7690

12174
RECORDATION NO. Filed 1425

SEP 10 1980 - 10 25 AM

REGISTERED INTERSTATE COMMERCE COMMISSION
RETURN RECEIPT REQUESTED

September 2, 1980

No. 0-254A053

Date SEP 10 1980

Fee \$ 50.00

ICC Washington, D. C.

12174
RECORDATION NO. Filed 1425

SEP 10 1980 - 10 25 AM

INTERSTATE COMMERCE COMMISSION

Ms. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Washington, D. C. 20423

Dear Ms. Secretary:

On behalf of United States Rail Services, Inc., I submit for filing and recording under 49 U.S.C. Sec. 111303(a), a Railroad Car Lease dated October 1, 1969 and a First Amendment to Railroad Car Lease dated December 29, 1970, between United States Rail Services, Inc. and C. A. Grubb and Myrtle C. Grubb duly executed and notarized. I also enclose three certified true copies of each of the Railroad Car Lease and First Amendment to Railroad Car Lease.

The addresses of the parties to this transaction are:

United States Rail Services, Inc., as managing agent
633 Battery Street
San Francisco, CA 94111

C. A. Grubb and Myrtle C. Grubb, as car owners
P. O. Box 284
Sun Valley, ID 83353

The Management agreement covers the following equipment:

One 20,000 gallon Class DOT111A100W1 tank car,
TGOX 2141.

Enclosed is a check in the amount of \$50.00 in payment of the recording fee.

SEP 10 10 14 AM '80
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OPERATION BR.

Ms. Agatha L. Mergenovich

September 2, 1980

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Once the filing has been made, please return

- (a) the original document file stamped;
- (b) the file stamped conformed copies not required for filing purposes;
- (c) the receipt;
- (d) the letter from the Interstate Commerce Commission acknowledging the filing and
- (e) the extra copy of this letter of transmittal.

Should you have any questions, please call me at (415) 445-7824.

Very truly yours,

UNITED STATES RAIL SERVICES, INC.

By Henry C. I. Chapman
Title Assistant Secretary

Enclosures

FIRST AMENDMENT TO

RAILROAD CAR LEASE

SEP 10 1980 10:35 AM

INTERSTATE COMMERCE COMMISSION

This First Amendment to Railroad Car Lease made this 29th day of December, 1970, by and between RAIL-U.S. LEASING, INCORPORATED, a California corporation (hereinafter "RAIL-U.S. LEASING") and C. A. Grubb and Myrtle C. Grubb, of Los Altos, State of California, (hereinafter "OWNER"),

WITNESSETH:

WHEREAS, OWNER and RAIL-U.S. LEASING have heretofore on the 1st day of October, 1969, or concurrently with the execution of this document have, entered into a Railroad Car Lease in the form approved by the Commissioner of Corporations of the State of California in its Permit dated October 3, 1969; and

WHEREAS, the parties hereto desire to amend the said Railroad Car Lease in a manner and on the terms and conditions hereinafter set forth; and

WHEREAS, the following amendment has been approved by the Commissioner of Corporations on the 28th day of December, 1970.

NOW, THEREFORE,

In consideration of the promises and agreements hereinafter set forth, it is agreed that the said Railroad Car Lease above referred be and the same is hereby amended as follows:

1. Subparagraph (c) of paragraph 2 of said Lease is amended to read as follows:

"(c) To pay to OWNER as a 'quarterly rental fee' the pro rata 'quarterly net operating profit' for each car subject to this Lease as the same is determined under the provisions of paragraph 3 of this Lease."

2. Subparagraph (d) of paragraph 2 of said Lease is deleted in its entirety.

3. Subparagraphs (b) and (c) of paragraph 3 of said Lease are hereby deleted and in lieu thereof the following subparagraphs are inserted:

"(b) RAIL-U.S. LEASING shall deduct from such aggregate gross income a sum equal to all costs and expenses paid during the quarter for the operation and control of all such cars, regardless of when incurred or what cars charged to, including, but not limited to, refunds due railroads or car users for overpayment of mileage earnings or for mileage equalization charges, all maintenance and repairs, registration

fees and ad valorem property taxes. All such costs and expenses shall be charged against 'aggregate gross income' for the calendar quarter when actually paid by RAIL-U.S. LEASING.

(c) RAIL-U.S. LEASING shall also deduct from such aggregate gross income a management fee of 35% of the quarterly net operating profit (aggregate gross income as defined in subparagraph (a) hereof) less all expenses defined in subparagraph (b) hereof, but before deducting the management fee provided for in this subparagraph (c) provided however that the said management fee shall not exceed an average of \$300.00 per car per quarter calculated over the previous four calendar quarters. In the event that the management fee charged for the four previous calendar quarters exceeds the aggregate sum of \$1,200.00, RAIL-U.S. LEASING shall refund the excess to the OWNER. Such excess shall be determined chronologically, pro rata by quarter, commencing with the first quarter in which the management fee was in excess of the sum of \$300.00. In no event, however, shall the annual management fee under this amendment exceed the annual management fee as computed under the terms of the original Railroad Car Lease for the term of that Lease. For multiple car ownership, the management fee to be charged by RAIL-U.S. LEASING shall be as set forth in attachment A, attached hereto.

(d) The amount by which such 'aggregate gross income' exceeds the expense deductions set forth in subparagraph (b) hereof and the management fee as set forth in subparagraph (c) hereof, shall be deemed the 'quarterly net operating profit' for the cars operated under this form of lease. Such 'quarterly net operating profit' shall then be allocated to each car operated within each calendar quarter on a pro rata basis determined by the number of days each car was operated by RAIL-U.S. LEASING within the quarter, to reach the 'quarterly rental fee' provided for in paragraph 2(c) hereof, and said 'quarterly rental fee' shall be paid to car owners after collection, as hereinafter provided in paragraph 4, but if not collected within thirteen (13) months all revenues thereafter collected shall be included in the 'aggregate gross income' for the calendar quarter when collected and disbursed to the car owners actually operating the cars in the calendar quarter."

4. Paragraph 4 of said Lease is hereby amended to read as follows:

"4. The 'quarterly rental fee' payable to OWNER shall be paid to OWNER within ninety (90) days after the end of each calendar quarterly accounting period."

5. Paragraph 6 of said Lease is hereby amended to read as follows:

"6. OWNER agrees to reimburse RAIL-U.S. LEASING promptly upon demand for the amount of any pro rata expenses allocated to any of OWNER's railroad cars, and if a reserve is being

maintained, then in excess of any amount set aside in the reserve therefore, if in any quarter such expenses exceed the 'aggregate gross income' for that quarter."

6. The provisions of "Attachment A to Railroad Car Lease" be and the same are hereby amended to read as follows:

"RAIL-U.S. LEASING agrees to grant to car owners who have leased to RAIL-U.S. LEASING for a full calendar quarter, five (5) or more tank cars, the following discounts from the management fee payable to RAIL-U.S. LEASING:

<u>NUMBER OF CARS</u>	<u>DISCOUNT</u> (In U.S. Dollars per month per car)
5-9 tank cars	\$ 5.00
10-14 tank cars	6.25
15-19 tank cars	7.50
20-24 tank cars	8.75
25 and over tank cars	10.00 "

7. The terms and provision of this Amendment shall be effective with respect to all calendar quarters commencing with the calendar quarter beginning on July 1, 1970.

8. RAIL-U.S. LEASING is hereby given the right to terminate and cancel this amendment in its entirety at any time upon giving a thirty (30) day written notice to each owner provided, however, that said thirty (30) day written notice must be given at least thirty (30) days prior to the end of any calendar quarter during the term of the Lease, such termination to be effective for the calendar quarter in which such notice is given. In the event of such termination, RAIL-U.S. LEASING shall have no right to recalculate the management fee under the terms of the Railroad Car Lease for the period during which fees were calculated by application of this Amendment.

9. Except as herein amended, the Railroad Car Lease heretofore entered into between OWNER and RAIL-U.S. LEASING is ratified, confirmed and approved.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Railroad Car Lease this 2nd day of January, 1971.

A. A. Grubb
Myrtle C. Grubb
OWNER

RAIL-U.S. LEASING, INCORPORATED

By Charles J. Scarcello
Charles J. Scarcello
Vice President - General Manager

ATTEST:

Secretary

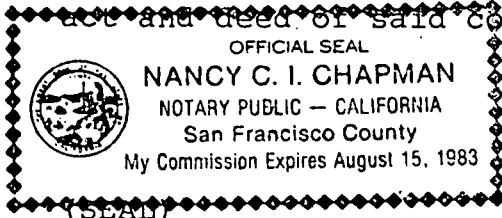
STATE OF CALIFORNIA

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)SS

CITY AND COUNTY OF SAN FRANCISCO)

On this 2nd day of September, 1980,
before me personally appeared David A. Woolsey
to me known to be the person described in and who
executed the foregoing Railroad Car Lease dated
October 1, 1969 on behalf of United States
Rail Services, Inc. (formerly called Rail-U.S. Leasing,
Incorporated), a California corporation, by authority
of its Board of Directors, and he acknowledged that
the execution of the foregoing instrument was the free
act and deed of said corporation.



Nancy C. I. Chapman

My commission expires: August 15, 1983

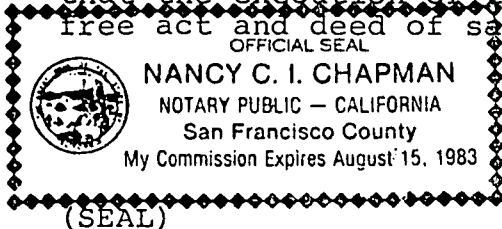
STATE OF CALIFORNIA

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CITY AND COUNTY OF SAN FRANCISCO)

On this 2nd day of September, 1980,
before me personally appeared Charles J. Scarcello
to me known to be the person described in and who
executed the foregoing First Amendment to Railroad Car
Lease dated December 29, 1970 on behalf of United
States Rail Services, Inc. (formerly called Rail-U. S.
Leasing, Incorporated), a California corporation, by
authority of its Board of Directors, and he acknowledged
that the execution of the foregoing instrument was the
free act and deed of said corporation.



Nancy C. I. Chapman

My commission expires: August 15, 1983

STATE OF IDAHO)
) SS
COUNTY OF Blaine)

On this 25th day of August, 1980,
before me personally appeared C. A. Grubb
and Myrtle C. Grubb, to me known to be
the person(s) described in and who executed the
foregoing Railroad Car Lease dated October 1, 1969
and First Amendment to Railroad Car Lease dated
December 29, 1970 and he or she acknowledge that he
or she executed the same as his or her free act and
deed.

Caryn Kendrick
Notary Public

(SEAL)

My commission expires: Life